GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Visakhapatnam Chennai Industrial Corridor Development Program (VCICDP) - Revised Administrative Sanction for PMSC for both Tranche-I and Tranche-II to an amount of Rs.111.956 Crores including GST and all other provisions for providing the services for Tranche-I upto June 2024 and Tranche-II upto September 2026 - Orders - Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Rt.No.206 Dated:25.12.2023.

Read the following:

1. G.O.Rt.No.328, Industries & Commerce (Infra) Department, dt.16.11.2017.
2. G.O. Rt.No.188, Industries & Commerce (Infra) Department, dt.05.07.2018.
3. G.O.Rt.No.204,Industries & Commerce (Infra) Department, dt.13.12.2022.
4. From the Project Director, VCICDP-PMU, Single e-file No.INC02/24/2023-PMU-VCIC, (Computer No.2123411).

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ORDER:

The Asian Development Bank approved on 20 September 2016, the Visakhapatnam-Chennai Industrial Corridor Development Program (VCICDP) comprising Multi Tranche Financing Facility (MFF 0093-IND) of $500 million, Policy Based Loan (PBL Loan 3424-IND) of $125 million, and Capacity Building TA (TA 9173-IND) of $1.0 million. Subsequently, ADB approved on 26 September 2016 Project 1 of the MFF comprising a loan (Loan 3430-IND) of $245 million, and a grant from the Urban Climate Change Resilience Trust Fund (UCCRTF)(Grant 0495-IND) of $5 million.

2. In the G.O. 1st read above, orders were issued according Administrative Sanction to the Tranche-I of VCICDP for an amount of Rs.3187.80 Crores along with the UCCRTF.

3. In the G.O.2nd read above, orders were issued according Administrative Sanction for PMSC of Tranche-I is for USD 8.71Mns i.e. Rs.57.49 Crs (@USD=INR 66) exclusive of provisional sums and contingencies which are not part of bidding. The provisional sums and contingencies which are provided in the original contract agreement and unutilized are proposed to be carried forward for the revised agreement. Accordingly, the Contract Agreement with PMSC i.e., M/s. Mott MacDonald Pvt. Ltd; has been executed on 01.09.2018 and as per the contractual conditions, it will be completed by 31.05.2023. Till now, the PMSC has been rendering the consultancy services in both Infrastructure Components and Policy Reforms Components.

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4. In the G.O. 3rd cited, Government have accorded Administrative Sanction to take up the revised works under VCIC Tranche-II at a total cost of Rs.1632.82 Crores (including land acquisition cost of Rs.164.70 Crores for the road works being taken up by APRDC and Additional expertise for implementation of the investment components supported by the Project Management and Supervision Consultants (PMSC) of the project.

5. In the reference 4th cited, the Project Director, VCICDP., has informed that, Government after due diligence of the implementation status of the Tranche-I, ADB has agreed for the proposal for reallocation of Loan Proceeds under Tranche-I during the year 2020 & 2022 and allocation of Loan Proceeds towards Consulting Services is USD13,745,700 (ADB's Share is USD12,000,000 + GoAP Share is USD1,745,700). Two Consulting Agencies PMSC and Road Safety Awareness (RSA) Consultants have been deployed under VCICDP as per the FAM. Government vide G.O.Rt.No.155, Industries & Commerce (Infra) Department, Dated:21.09.2021 accorded Administrative Sanction for deployment of RSA Consultants with an amount of Rs.10.00 Crs resulting the total Contract Amount of RSA is about USD1.00Mns. Thus, the allocation of Loan Proceeds towards PMSC is USD11,000,000 (ADB's Share) as on date.

6. Further, informed that the Tranche-II Loan Negotiations have been concluded and the Project Agreement has been signed by the GoAP and ADB on 23rd May 2023 and the Loan Agreement has been signed by the Government of India and ADB on 23rd May 2023. The Project Administration Manual (PAM) for Tranche-II of VCICDP has been agreed by the Government of India, Government of Andhra Pradesh and the ADB. The PAM of VCICDP Tranche-II has been facilitating an allocation of USD 5.89Mns [USD4.99Mns *of ADB's Share and USD0.90Mns of GoAP's Share]* towards PMSC and Skill Development. This Skilling Program is estimated to be taken up with USD1.0Mns. *Therefore, the allocation for Consultancy Services (PMSC) in Tranche-II of VCICDP is for USD3.99Mns.*

- Net allocation of loan proceeds towards PMSC under Tranche-I is USD 11Mns (ADBs share).
- Net allocation of loan proceeds towards PMSC under Tranche-II is 3.99Mns.
- Total of USD 14.99Mns(= 122.529 Cr@USD=INR81.741 as communicated by ADB)

7. The estimated additional contract value/variation towards PMSC under Tranche-I extension from June 2023 to June 2024 is Rs.9.828 Cr. (excluding GST). Infrastructure components only are proposed under Tranche-I extension. The estimated additional contract value/variation towards PMSC for Tranche-II from Sept 2023 to Sept 2026 for both infrastructure components and the Reforms / Finance plus components is

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Rs.33.986 Cr.(excluding GST). And already billed amount towards PMSC till May 2023 is Rs 51.063 Cr (excluding GST) against an agreement value of Rs.63.065 Cr.(excluding GST). Hence, the total estimated amount towards PMSC services (i.e from the date of agreement (01.09.2018) till the end of the project i.e Sept 2026), comes to Rs.94.878 Cr (9.828 + 51.063 + 33.986) excluding GST (Rs.111.956 Cr including GST of Rs.17.078 Cr @present rate). All the PMSC variation proposal cost summary for the proposals and all the positions proposed now have been restricted to the provision made and already agreed in the PAM/Finance plus vide G.O.Rt.No.204, Industries & Commerce (Infra) Department, dt.13.12.2022.

8. The Project Director, VCICDP., has therefore, requested the Government to accord Administrative Sanction to accord revised administrative sanction for PMSC for both Tranche-I and Tranche-II to an amount of Rs.111.956 Cr including GST (Rs.94.878 Cr/- + GST Rs.17.078 Cr) since the existing administrative sanction issued vide G.O.Rt.No.188, Industries & Commerce (Infra) Department, Dt.05.07.2018 for PMSC for Tranche-I is for USD 8.71Mns i.e. Rs.57.49 Crs (@USD=INR 66),exclusive of provisional sums and contingencies which are not part of bidding. The provisional sums and contingencies which are provided in the original contract agreement and unutilized are proposed to be carried forward for the revised agreement.

9. Government after careful consideration, hereby accord revised administrative sanction for PMSC for both Tranche-I and Tranche-II to an amount of Rs 111.956 Crores including GST (Rs.94.878 Crores + GST Rs.17.078 Crores) since the existing administrative sanction issued vide G.O.2nd read above for PMSC for Tranche-I is for USD 8.71Mns i.e. Rs 57.49 Crs (@USD=INR 66) was exclusive of provisional sums and contingencies which are not part of bidding. The provisional sums and contingencies which are provided in the original contract agreement and unutilized are proposed to be carried forward for the revised agreement, duly reiterating the following:-

- Extension of PMSC for Tranche-I till June 2024 and Tranche-II till September 2026/project period whichever is earlier, with the same terms & conditions & the lean PMSC structure as agreed earlier vide G.O.Ms.No.204, dt.13.12.2022.

- The revision of cost of PMSC for Tranche-I from Rs.63.06 Crores to Rs.74.42 Crores so as to accommodate taxes.

- The PMSC cost revision for Tranche-II from the USD 3.88 Millon will be considered as per progress of the project.

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10. The Project Director, VCICDP-PMU and the VC&MD., APIIC Ltd., shall take necessary action in the matter duly following the relevant rules in force.

11. This order issues with the concurrence of the Finance (PMU) Department, vide their U.O.No.FIN01-PMU0EAP(APP)/23/2023-EAP (Computer No.2272459), dt.21.12.2023.

(BY ORDER IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Project Director, Visakhapatnam Chennai Industrial Corridor Development Program Project Monitoring Unit, Yenikipadu, Vijayawada.
The VC&MD., APIIC Limited, APIIC Towers, Mangalagiri.
The Accountant General, Andhra Pradesh, Vijayawada.
The Director of Treasuries and Accounts, Vijayawada.
The Director (Works & Accounts), Vijayawada.
The Pay and Accounts Officer, Vijayawada.
The Collector & District Magistrate, Visakhapatnam, Anakapalli, East Godavari, Krishna and SPS Nellore, Tirupati, Chittoor, Kurnool, YSR District.

Copy to:
The Commissioner of Industries, APIIC Towers, Mangalagiri.
The Commissioner, GVMC, Visakhapatnam.
The Managing Director, APRDC, Vijayawada.
The C&MD, APTRANSCO, Vijayawada.
The P.S to Secretary to Govt., & CIP, I&C Dept.,
The P.S. to Spl. Chief Secy. to Govt., Revenue (LA) Dept.,
The P.S. to Spl. Chief Secy. to Govt., MA&UD Dept.
The P.S. to Spl. Chief Secy. to Govt., Energy Dept.,
The P.S. to Secy. to Govt. TR&B Dept.
The Finance (FMUJ&IJ&C) Dept.,
Sc/Sf .

//FORWARDED::BY ORDER//

SECTION OFFICER